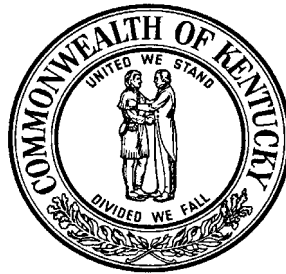


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
MADISON COUNTY  
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004  
Through June 30, 2005**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
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**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

Independent Accountant's Report

Robbie Rudolph, Secretary  
Finance and Administration Cabinet  
The Honorable Stephen Smith  
Madison County Property Valuation Administrator  
Richmond, Kentucky 40475

We have performed the procedures enumerated below, which were agreed to by the Madison County Property Valuation Administrator, (PVA) solely to assist you with the accountability for statutory contribution, receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2004, through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Madison County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipt ledger, a disbursement ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2005), to determine if amounts are accurate.

Finding -

The PVA has a receipt ledger, a disbursement ledger, and reconciles bank records to books each month. The year-end bank reconciliation was accurate.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

The city receipts recorded in the PVA's records agreed to the amounts confirmed with the city governments. The list of city receipts appears complete.



Robbie Rudolph, Secretary  
Finance and Administration Cabinet  
The Honorable Stephen Smith  
Madison County Property Valuation Administrator  
(Continued)

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The budgeted statutory contribution by the fiscal court agrees to the legally required amount calculated by the Department of Revenue. The fiscal court payments traced successfully from the fiscal court statutory contribution budget account to the PVA's local bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

The auditor judgmentally selected 15 disbursements from the PVA's records and agreed the amounts to cancelled checks and paid invoices. The expenditures tested appeared to be for official business. The Madison County PVA does not have an office credit card.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

The PVA had three capital outlay disbursements during this time period. The disbursements were compared to cancelled checks and paid invoices. Proper purchasing procedures were followed and the items were located in the PVA's office. The assets will be added to the 2005 inventory list at the end of the year.

Robbie Rudolph, Secretary  
Finance and Administration Cabinet  
The Honorable Stephen Smith  
Madison County Property Valuation Administrator  
(Continued)

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The Madison County PVA does not have any of these types of contracts.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA's final budget compared favorably to actual expenditures. None of the accounts were overspent.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

The PVA was not aware of the need for this type of collateral. The local bank account daily balance did exceed \$100,000 several times throughout the year.

PVA's Response -

I will contact the bank and follow up on this guideline.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

Timesheets are completed, maintained, and support hours worked. However, the individual employees do not sign the timesheets. They are only signed by the PVA.

PVA's Response -

I will have employee's initial timesheets from this point forward.

Robbie Rudolph, Secretary  
Finance and Administration Cabinet  
The Honorable Stephen Smith  
Madison County Property Valuation Administrator  
(Continued)

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen  
Auditor of Public Accounts

Engagement fieldwork completed -  
October 13, 2005

